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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Before the  
**Federal Communications Commission**  
Washington, D.C. 20554

In the Matter of	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
Access Charge Reform, Price Cap Review	)	
for Local Exchange Carriers, Transport Rate	)	CC Docket Nos. 96-262, 94-1,
Structure and Pricing, End User Common	)	91-213, 95-72
Line Charge	)	

**COMMENTS OF BELL ATLANTIC<sup>1</sup> ON SECOND FURTHER NOTICE OF  
PROPOSED RULEMAKING**

The Commission should adopt its tentative conclusion and exempt Lifeline customers who accept free toll blocking service and fail to presubscribe to an interexchange carrier from paying the presubscribed interexchange carrier charge ("PICC").<sup>2</sup> Such a result would eliminate a financial barrier to a Lifeline customer's acceptance of toll blocking.<sup>3</sup>

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<sup>1</sup> The Bell Atlantic telephone companies ("Bell Atlantic") are Bell Atlantic-Delaware, Inc.; Bell Atlantic-Maryland, Inc.; Bell Atlantic-New Jersey, Inc.; Bell Atlantic-Pennsylvania, Inc.; Bell Atlantic-Virginia, Inc.; Bell Atlantic-Washington, D.C., Inc.; Bell Atlantic-West Virginia, Inc.; New York Telephone Company; and New England Telephone and Telegraph Company.

<sup>2</sup> *Second Further Notice of Proposed Rulemaking*, FCC 97-317, ¶ 5 (rel. Sept. 4, 1997) ("Notice").

<sup>3</sup> This policy justification to waive the PICC does not apply if a Lifeline customer who accepts free toll blocking also presubscribes to an interexchange carrier, and the presubscribed carrier should be responsible for the PICC charge.

Similarly, the PICC costs that would otherwise be recovered from the Lifeline customer should be supported by the low income universal service support program, as the Commission proposes,<sup>4</sup> and the local exchange carrier should be able to recover the applicable amount from that fund. The waived charges are costs that the local exchange carrier incurs to provide Lifeline service, and, as with other such costs, they should be recoverable from the support fund. Recovery of such costs from all carriers' interstate retail revenues, as with other Lifeline costs, is the most competitively neutral method of supporting the waived PICC charges.

Finally, the Commission asks parties to estimate the amount of money necessary to support the waived PICC charges.<sup>5</sup> The Commission has estimated that approximately 6.3 million consumers will participate in the expanded Lifeline program that it has prescribed.<sup>6</sup> Bell Atlantic estimates that between 10 and 15% of Lifeline customers will accept free toll blocking. If 15% of such customers take toll blocking and do not presubscribe to an interexchange carrier, at a PICC level of \$0.53/month, the annual support needed from the low-income fund would be

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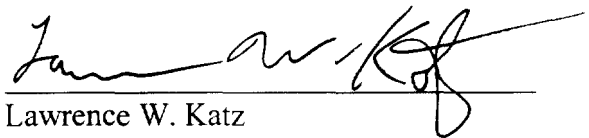
<sup>4</sup> Notice at ¶ 5.

<sup>5</sup> *Id.*

<sup>6</sup> *Report and Order*, FCC 97-157, n.903 (rel. May 8, 1997).

just over \$6 million. If the residential PICC were to increase, the amount of support needed from the fund to waive the PICC would increase proportionally.<sup>7</sup>

Respectfully Submitted,



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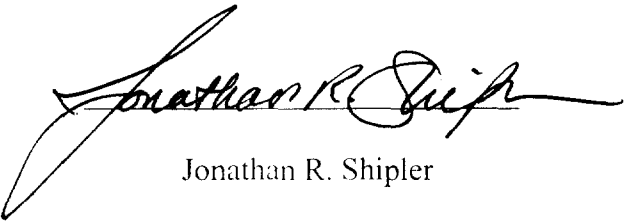
September 25, 1997

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<sup>7</sup> For example, if the residential PICC were to become \$6.00, \$72 million of support would be needed.

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of September, 1997, a copy of the foregoing  
“Comments of Bell Atlantic on Second Further Notice of Proposed Rulemaking” was served by  
first class U.S. mail, postage prepaid, on the parties listed on the attached service list.



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